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A P P E A R A N C E S

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION:
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1 Woodinville, Washington; Thursday, August 9, 2012

2 4:00 p.m.

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4 CHAIRMAN GOLTZ: I'd like to call this special
5 open public meeting of the Washington Utilities and
6 Transportation Commission to order.

7 My name is Jeff Goltz. I'm chairman of the
8 Commission. With me are my colleagues, to my left,
9 Commissioner Pat Oshie, to my right, Commissioner
10 Phillip Jones.

11 We're here under commission docket
12 No. TG-121265, regarding Waste Management of Washington.
13 The purpose of this meeting is to hear a presentation by
14 Waste Management on the company's response to its recent
15 labor strike, and also to take comments from the public
16 on the impacts of the strike.

17 Also, we've got on file three other docket
18 numbers. They are TG-120840, TG-120842, and TG-102843.
19 Pardon the formalities of giving numbers in the record.
20 And those are filings by Waste Management. They've been
21 previously filed with the Commission on their proposed
22 policy for future labor-related service disruptions.

23 So we'll not be taking action on any items
24 today. We're here mainly to get the public's input and
25 hear from the company. But also we're here to possibly

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1 review and consider and discuss, but not decide, issues
2 of possible future tariff conditions; that is to say
3 rules related to service for future labor disruptions.

4 So the process for today is going to be we will
5 have a presentation, a brief presentation, by the
6 Commission staff, Mr. Gene Eckhardt of the Commission
7 staff, he's assistant director for Water and Solid
8 Waste; also here with the Commission staff, Mr. John
9 Cupp, who's in the back, who welcomed people as they
10 came in; from our public affairs office, Amanda Maxwell;
11 Steve King, who's the director of Safety compliance; and
12 also Mr. Cedarbaum, who is our legal advisor.

13 Here's the presentation from Mr. Eckhardt. That
14 will be relatively brief. We will also hear a
15 presentation from Mr. Rob Sherman of the company, and he
16 may include others as well, I'm not sure. And then
17 there will be questions of the company by the three of
18 us, by the Commission, and then we will go to public
19 comment.

20 We learned today that we only have the room
21 until 6:30 tonight, so depending on how many people come
22 between now and 5:00, we may start the public comment
23 early, and we'll ascertain at that time if there's any
24 time restrictions. We'll play that by ear as we go
25 along.

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1 I also want to thank the City of Woodinville for
2 making their council chambers available for us on
3 relatively short notice. We really appreciate their
4 accommodating us.

5 So without anything further, Mr. Gene Eckhardt,
6 who's assistant director for the Utility Transportation
7 Commission, to give a little bit of background on what
8 led us to today.

9 MR. ECKHARDT: Thank you, Chairman Goltz, and
10 good afternoon Commissioner Oshie and Commissioner
11 Jones. My name is Gene Eckhardt. I'm representing
12 Regulatory Services. I just have a few comments. I
13 hope you'll find them brief.

14 First of all, I wanted to clarify the
15 Commission's jurisdiction regarding solid waste. The
16 Commission regulates the provision of residential and
17 commercial garbage service, residential recycling and
18 residential yard waste service in King, Skagit, and
19 Snohomish counties, except in cities which have
20 contracted for those services. And there is a long list
21 of cities that do contract for those services.

22 The Commission published those in our media
23 advisories, and I do have a list of those cities. If
24 anyone has a question, staff previously has provided the
25 commissioners with a list of those cities as well.

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1 So customers served by those cities under
2 contract with Waste Management are not subject to
3 jurisdiction of the Commission.

4 In regards to the strike itself, the staff has
5 designated Amanda Maxwell as the primary contact to talk
6 with the company in regards to the company's actions to
7 reinstate service during the strike, and a group of
8 staff people did conference call several times with the
9 company to understand what was going on.

10 There were a number of things that raised
11 questions in staff's mind, and as an example, as the
12 strike continued, and the company continued to make
13 progress in reinstating service, staff asked for more
14 specific information, how much progress, how many
15 customers, where, et cetera, and the company did not
16 provide us with that information at that time. That is
17 an issue that staff will follow up in an investigation
18 to better understand the company's response to the
19 strike and how the company implemented service; as an
20 example, how the company allocated its resources between
21 contract city areas versus UTC-regulated service areas,
22 and in what order, and at what time various customer
23 classes received services.

24 The staff was genuinely concerned that we felt
25 the resumption of service was more protracted than we

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1 had expected, given the company's contingency plan and
2 the information that we had received throughout the
3 strike. And, finally, staff is concerned, and expressed
4 our concerns to the company early on, that the company
5 comply with all safety standards regarding drivers and
6 vehicles. And our staff will be following up with the
7 company, as we had talked previously, to ensure that
8 that was done as well.

9 So, you know, staff is not alleging that
10 anything untoward has occurred, but we do have some
11 concerns that we will be following up with
12 investigations with the company to obtain data to better
13 understand the company's response.

14 I think just generally a comment on the tariffs
15 that Chairman Goltz referred to. Waste Management's
16 current tariffs do not address disruptions of service
17 caused by a labor dispute. In the past, the company
18 relied upon a tariff provision for service disruption
19 caused by inclement weather.

20 On May 18th, the Commission sent a letter to
21 Waste Management reminding the company that its tariff
22 does not address labor disputes. Waste Management
23 worked with Commission staff to craft proposed tariff
24 language and file proposed tariffs on June 6, all
25 scheduled to become effective August 1.

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1 On July 12 Waste Management at Commission
2 staff's request postponed the effective date of those
3 tariffs to September 1. Staff asked the company to
4 postpone those tariffs so that we could continue working
5 with the company and the broader industry to bring an
6 industry-wide proposal to the Commission instead of
7 company-specific proposals.

8 And, finally, on July 25, Waste Management asked
9 the Commission to consider its pending tariffs at the
10 July 27 open meeting, and approve the tariffs to become
11 effective July 28. The Commission did discuss Waste
12 Management's request at the July 27 open meeting, but
13 took no action on that request.

14 I'm available for questions. Otherwise my
15 presentation is complete.

16 CHAIRMAN GOLTZ: Thank you, Mr. Eckhardt.

17 Any questions for Mr. Eckhardt? Thank you.
18 Thank you very much. We may have some questions later
19 on after we hear from the company.

20 Mr. Sherman, I gather the floor is yours.

21 MR. SHERMAN: Thank you.

22 CHAIRMAN GOLTZ: I might add, as a preface, I'm
23 sorry, that we sent the company a letter asking for a
24 number of reports, and to -- to set this hearing, and I
25 don't know to what extent you've been able to assemble

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1 that information that was requested. Some of it calls
2 for information to be gathered in the future. Maybe you
3 can address the status of that as well, but also just
4 give us a general overview of your strike response.

5 MR. SHERMAN: You bet. Good afternoon,
6 Commissioners. I am Rob Sherman. I'm Waste
7 Management's director of operations for western
8 Washington. With me today are Mary Evans, she's our
9 area director of public sector, and Polly McNeill, our
10 UTC representative.

11 First of all, I'd like express our sincere
12 apology to the Commission and all our customers for the
13 negative effects of this labor disruption. We regret
14 the inconvenience, frustration, and disruption caused by
15 the strike. Waste Management exercised extraordinary
16 efforts to prevent this from happening. Then after the
17 union went on strike, Waste Management worked diligently
18 to swiftly execute our contingency plan.

19 Our team was supported by hard working Waste
20 Management employees from across the country. Everyone
21 was focused on restoring collection service in the
22 shortest amount of time as possible.

23 This afternoon I would like to walk you through
24 our contingency plan as well as the day-to-day review of
25 what actually occurred. First, a recap of the events

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1 leading up to the strike.

2 We were surprised the Union went on strike and
3 stayed out as long as they did. You see, Waste
4 Management had been negotiating with Teamsters Local 117
5 for more than four months, exchanging 16 proposals.
6 Contrary to statements by the union leadership reported
7 in the media, all language issues had been agreed to.
8 Wages and benefits were the only items left to
9 negotiate.

10 Waste Management's final offer provided average
11 wage and benefit increases of approximately four percent
12 per year throughout the term of the new six-year
13 contract, resulting in an average total compensation
14 package of over \$98,000 in the final year. Quite
15 honestly, we expected the union to gladly agree to our
16 offer.

17 Unfortunately, the union leadership wanted more,
18 a lot more. Despite requests from Waste Management, the
19 union leadership refused to allow the membership to vote
20 on our final offer, which included a \$2,000 ratification
21 bonus. We continuously heard comments from our drivers
22 that the offer was sound. The drivers wanted the
23 ability to vote, accept the offer, and continue working.
24 As you know, they never had the chance.

25 On Wednesday, July 25th, at approximately

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1 10 a.m., Local 117 union leadership called a strike
2 against Waste Management affecting recycling and yard
3 waste services. Additionally, drivers represented by
4 Teamsters Local 174 also honored the strike, increasing
5 the number of striking employees from 152 to 528.

6 Within days of the strike occurring, we began
7 receiving word that Local 174 garbage drivers were
8 getting frustrated and could not afford to be off work
9 for much longer. Monday, July 30th, we had reason to
10 believe the national teamsters organization, the
11 International Brotherhood of Teamsters, stepped in and
12 became involved in the local situation by offering
13 additional strike pay and organizing rolling strikes
14 against Waste Management across the western United
15 States.

16 At that point, it became very clear to Waste
17 Management that the Puget Sound strike had national
18 implications. In the end, the economics of our
19 settlement with Local 117 mirrored our final offer
20 presented eight weeks earlier. We simply moved forward
21 the timing of the wage increases. In fact, the wage
22 rate in the last year of a new six-year contract is
23 exactly the same as our final offer, and the \$2,000
24 ratification bonus was lost by the employees.

25 The strike was in our opinion totally

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1 unnecessary. Some might suggest Waste Management could
2 have, and frankly should have, capitulated to union
3 leadership demands. We disagree. Waste Management
4 takes seriously our fiduciary responsible to the rate
5 payers, our communities, and our shareholders. Despite
6 our ability to pass through labor-related costs to UTC
7 customers by increasing the monthly collection fees, we
8 chose to hold the line. We made the hard decision, the
9 difficult decision, because we believe that it was the
10 best decision for our rate payers, our communities, our
11 company, and yes, our drivers.

12 Ours was a generous offer, acknowledging our
13 hard working drivers. I have to tell you, these men and
14 women provide invaluable service to our communities. In
15 fact, they are the face of Waste Management.

16 On a personal note, I understand, appreciate and
17 share the frustration of our UTC customers. I am a UTC
18 customer. I experienced the effects of the strike and
19 its aftermath at my home and with my family.

20 As previously stated, this situation should have
21 never happened. Our customers should not have had to
22 bear the burden of the service disruption. On behalf of
23 Waste Management, we are deeply apologetic.

24 Let me tell you what steps we took to prioritize
25 collection service for our customers, and I'll now refer

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1 you to the presentation.

2 The contract for Local 117 expired on May 31st.

3 As I mentioned before, we had been in union negotiations

4 for four months prior to that, exchanging 16 proposals.

5 On June 10th we extended the offer of our final

6 proposal, extending the \$2,000 signing bonus. It was

7 unsuccessful.

8 July 25th, as previously stated, at 10 a.m., the

9 teamsters leadership called a strike. Just to remind

10 you, Local 117 is about 152 employees. Local 174

11 honored the strike, another 376 employees. So the total

12 employees that were out were 528.

13 We spent a lot of time and effort working on a

14 contingency plan. The contingency plans are put in

15 place for natural diasters, contingency plans are put in

16 place for labor disruptions. One of the first things we

17 look at are the additional resources that you need in

18 those situations, and Waste Management has a team known

19 as the Green Team, and I'll talk about them in just a

20 few more minutes. They provide resources during these

21 meetings.

22 In addition, we have local managers in the area

23 who have the ability to switch roles, some do drivers,

24 some do dispatches, and they have the ability to do

25 think things that help out in these times of need.

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1 One of the biggest questions that comes to us is
2 the prioritization. We get asked in the meeting, we get
3 asked from our customers, we get asked from the
4 Commission, how do you prioritize. And I want to take a
5 minute, kind of talk through that with you.

6 One of first things we do when we're setting up
7 a contingency plan is to identify in advance what we
8 identify as critical accounts. These accounts generally
9 deal with public health, environmental impacts. They
10 can be hospitals, nursing homes, large restaurants, any
11 number of those things like that. And you have to
12 understand, when we identify them, we identify them
13 regardless of whether they're a contracted city or a UTC
14 area. We don't take that into consideration. We just
15 identify critical accounts.

16 After the critical accounts we look at
17 commercial garbage. Understanding that the commercial
18 accounts generate a lot more trash, a lot more garbage,
19 generally in very dense areas, and therefore that is the
20 next thing that we look at when the resources are
21 available, we move to the commercial garbage.

22 And then immediately thereafter we move into the
23 residential garbage, understanding that that too is very
24 inconvenient, and is the most important item to address
25 after the commercial garbage.

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1 And then as the contingency plan and
2 prioritization continues, ultimately we get into full
3 service recovery, where we're doing everything that we
4 set out to do on a normal basis.

5 Any time you have this fluid of a situation, you
6 have to find ways to communicate, not only with the
7 regulators and elected officials, but also with the
8 community officials. Waste Management has regional call
9 centers.

10 We're one of the few waste haulers that actually
11 does this. Ours is actually located in Oak Harbor, and
12 it gives us the ability when in these regional call
13 centers, if one part of the country is impacted, if it
14 were a natural disaster, or a labor disruption, we're
15 able to move extra call volumes to other call centers
16 and help balance the workload so call handling times are
17 kept low.

18 Additionally, what we do is we do customer
19 outdials. It's a proactive way to get the word to the
20 customer that says here's what we're doing for this,
21 your specific account, your specific home, your specific
22 business.

23 Now, in addition to that, we have a very
24 extensive website that a customer can go in and identify
25 where they live, and say -- and learn firsthand exactly

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1 what's happening on their service day by commodity type.
2 Additionally, we've stayed very engaged with the media,
3 with frequent media updates, to help, whether it's the
4 radio, whether it's through TV, print, or however, to
5 share the information through as many channels as
6 possible.

7 Finally, as mentioned before, we look at staff,
8 elected officials, regulators to provide them updates.
9 The UTC, we're working with Amanda, but across the
10 affected area we're looking to Mary and her team to make
11 sure that they know what's going on.

12 Now we want to look at what actually happened,
13 how we implemented this plan. So if you look --

14 CHAIRMAN GOLTZ: Excuse me. I want to be clear
15 on one thing. I know that on June 15, the Commission
16 sent a letter to Waste Management describing Commission
17 safety and service expectations in the event of a
18 strike. And I have a copy of the 2012 Puget Sound labor
19 disruption contingency plan, but it's not dated. I was
20 wondering when was that prepared and when was that then
21 communicated to the Commission? Do you know that?

22 MR. SHERMAN: Yes.

23 MS. EVANS: Mr. Chairman, that contingency plan
24 was released on June 6.

25 CHAIRMAN GOLTZ: Thank you.

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1 MR. SHERMAN: During the first days, during the
2 Wednesday when they called the strike, we're looking at
3 those first few days, for us it's Thursday and Friday,
4 we actually extended operations into Saturday. And I
5 mentioned before, we focus our service delivery on
6 critical accounts. Those with public health,
7 environmental impacts predominantly.

8 I want to bring out, there's been concern that
9 Waste Management focused our initial and continuing
10 service recovery on contract cities only. I can tell
11 you it's just simply for us wasn't how we approached
12 those first few days. And I'll continue as I go, but 15
13 percent of the serviced accounts during these first
14 three days were UTC accounts.

15 I can tell you, we were at Evergreen Hospital,
16 Woodinville Medical Center, we were at the Kindercare,
17 we were at Creekside Retirement Village, Woodinville
18 Plaza, Alderwood Mall. These locations that are UTC
19 areas, we were there. And that's out there.

20 The bottom line is generally these public
21 health, these environmental areas, are generally in more
22 dense populated areas. That's many times going to be in
23 your contracted cities. When we looked at it, nobody on
24 our critical account list -- when we print these things
25 up we identify by route in the event of a labor

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1 disruption or national disaster, we don't look at it and
2 say, well, that's a UTC customer, that's a contracted
3 city. We just don't. We look at who it is, and say
4 that is someone we need to make sure that we pick up as
5 soon as physically possible.

6 COMMISSIONER OSHIE: Mr. Chairman, I'd like to
7 clarify perhaps -- probably your initial statement
8 coming into this little section here you're talking
9 about. I don't think our concern -- I don't understand
10 our concern to be that you focused only on the city
11 accounts or the contract city accounts. I think our
12 concern more sort of aptly described is one that you put
13 more emphasis on the city accounts or the city contract
14 accounts, and not those of your UTC customers. That's
15 really the issue, as how you weighted your effort.

16 MR. SHERMAN: Can I address that?

17 COMMISSIONER OSHIE: In the sense of how you
18 were influenced to deploy resources at one jurisdiction
19 over the other. But I want to just be clear, I don't
20 think it's a question that you only concentrated on the
21 city accounts, it's really about how you allocated the
22 resources.

23 MR. SHERMAN: It's a fair question. So once
24 again, we're dealing on those -- the contingency plan
25 says in the first few days, what are we going to do.

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1 The first few days, we say we're going to literally
2 focus on critical accounts. To the commissioner's
3 question, what I'm saying is we didn't look at the
4 difference between a contract city or a UTC during that
5 time period. It's not even on our spreadsheets. We
6 looked at Evergreen Hospital, are they somebody we want
7 to make sure we pick up on Thursday and Friday. And
8 then that was the case. The veterinary hospital, Group
9 Health, the Virginia Mason hospital, and I've listed,
10 you know, five or six of a long list of -- and many
11 restaurants were on there, because we know restaurants,
12 it's very difficult.

13 Now, candidly can you get everybody at that
14 point on Thursday? No, you can't. But we identified,
15 to your question, do -- all we look at is who it is and
16 how we can best service them.

17 CHAIRMAN GOLTZ: So the contingency plan says
18 that the first days of a collection interruption is
19 collection service -- I'm quoting -- collection services
20 at all critical facilities will begin. So it doesn't
21 say collection services at all critical facilities will
22 be provided. So you listed services -- facilities where
23 you did provide service, do you have a list, and you
24 probably don't have it now, of critical facilities where
25 you didn't provide service?

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1 MR. SHERMAN: I appreciate how you phrased that,
2 because, frankly, we are still -- this is important for
3 the Commission to understand, and others listening. We
4 are actively still in a recovery mode right now. I have
5 managers and drivers on the streets late at night, you
6 know, within the guidelines, proper constraints of our
7 guidelines and service rules, but actively still doing
8 our best.

9 And so some of the specifics as to who we did
10 not, what I was able to do, we were able to identify who
11 we serviced during that time period, as we had
12 identified which were the critical account routes, and
13 we say, okay, we will -- you know, we drove or went out
14 for Route 831 and we dispatched that. And so we knew
15 that. Now, did I go out for 835? I have to figure out
16 which ones I didn't get out, because I did fewer -- I
17 did more on Friday than I did on Thursday.

18 CHAIRMAN GOLTZ: The answer to Commissioner
19 Oshie's question is answered by the lists and locations
20 of accounts, critical accounts you did not serve, not by
21 the ones you did, I think.

22 MR. SHERMAN: All right. I don't have that
23 detail yet.

24 CHAIRMAN GOLTZ: We need that information.

25 MR. SHERMAN: Absolutely.

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1 COMMISSIONER JONES: Mr. Sherman, do you have a
2 list of how many -- you have 200,000 customers in
3 western Washington roughly?

4 MR. SHERMAN: (Witness nods head.)

5 COMMISSIONER JONES: How many critical accounts
6 do you have?

7 MR. SHERMAN: I don't have that number with me.

8 COMMISSIONER JONES: You say you do those first.

9 MR. SHERMAN: Right.

10 COMMISSIONER JONES: I think it would be good
11 for the Commission at least to have a sense of how many
12 critical accounts, how many commercial, and then how
13 many residential, because as you said, you go in that
14 order. Right?

15 MR. SHERMAN: Right.

16 COMMISSIONER JONES: But those critical accounts
17 were disbursed -- as you dispatched them across UTC and
18 contract, you don't, you said in response to
19 Commissioner Oshie's question, you don't distinguish
20 between the two. Right?

21 MR. SHERMAN: Right.

22 COMMISSIONER JONES: So even if it's both, I
23 think that would be helpful to our consideration.

24 MR. SHERMAN: We can certainly get that.

25 CHAIRMAN GOLTZ: I'm kind of interrupting you

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1 though. You're taking us through the strike?

2 MR. SHERMAN: That was one of the requests to
3 say how did you go through.

4 CHAIRMAN GOLTZ: You're in day one or day two?
5 Day one?

6 MR. SHERMAN: The first section, our contingency
7 plan talks about first days of collection. So that's
8 where I'm at, the first dates right now. Thursday,
9 Friday, Saturday for us, those are the first days as
10 we're trying to --

11 CHAIRMAN GOLTZ: Maybe when you get to the
12 green -- you can get to this I guess in the Green Team.
13 These consist of Waste Management employees from other
14 parts of country?

15 MR. SHERMAN: I'm going to talk about those,
16 absolutely.

17 CHAIRMAN GOLTZ: Maybe when you do, you could
18 see when they were put on the work, when they were
19 called, when they arrived.

20 MR. SHERMAN: Absolutely.

21 There is one caveat that we have when we talk.
22 That was the special residential consideration. That
23 was for the City of Renton, who has residential every
24 other week, garbage collection services. And we worked
25 getting on Thursday to collect them. We missed a

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1 portion of them because our drivers came off the route
2 Wednesday, 10 o'clock window, some of them stayed out a
3 little longer, but that's when the strike was called.
4 So we had not completed all of Renton at that point. So
5 on Thursday, we went back into Renton to service those
6 Wednesday customers, and then kept moving it forward
7 until Saturday when we were in Renton, we collected.

8 Those of you who are from Olympia or familiar
9 with Olympia understand it would be very difficult if
10 you're on an every-other-week garbage collection to miss
11 that, an extra cycle. That's why we did identify
12 Renton. For us, as a residential, that was a critical,
13 critical issue to address.

14 And you mentioned about the Green Team. So the
15 substitute drivers -- the strike happens, so we do an
16 initial call, because frankly, I'll be honest, 117 has
17 never gone out on strike. Never. And a couple of years
18 ago when 174 went out on strike, they were out for a day
19 and a half, and 117 stayed out a day and a half with
20 them. So the length of the strike was surprising,
21 frankly. We were expecting something shorter. So when
22 the initial call for replacements came out, we requested
23 some replacements, but then when we got into Friday, we
24 say wait a minute, it's looks like 174 is staying out,
25 we called for many more replacements.

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1 CHAIRMAN GOLTZ: Replacements are Green Team
2 members?

3 MR. SHERMAN: Absolutely.

4 CHAIRMAN GOLTZ: When you say you requested some
5 replacements, you requested how many replacements?

6 MR. SHERMAN: I'm going to have to put that in
7 our follow-up to you.

8 CHAIRMAN GOLTZ: Sure. Were they in Denver, or
9 where did they come from?

10 MR. SHERMAN: That's a good point. I can talk
11 about that on the next slide, which is the Green Team,
12 because as they started coming in, this Green Team
13 starts coming in on heavy concentration on Saturday, and
14 also into Sunday, I want to talk a little bit about who
15 they are. These are Waste Management employees from
16 across the country. They are experienced drivers from
17 across the country. They are coming from Florida,
18 Tennessee, Chicago, New York, all across the country.
19 So when we make the call, and say we're ready to
20 activate, it is a process.

21 We have a, you know, an actual manager of this
22 group. And the managers say when they are dispatched to
23 a location out of that. They have their other sites,
24 and they pick up waste for their own customers, they
25 have full time jobs where they live. But in the event

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1 of a natural disaster, such as Hurricane Katrina, the
2 Gulf oil spill, we can move a hundred, 200 people to
3 those areas very quickly. We have their phone numbers.
4 These are folks that are very familiar with our trucks
5 and our equipment, how to run routes.

6 CHAIRMAN GOLTZ: They have all the required
7 safety credentials?

8 MR. SHERMAN: Absolutely. They're experienced,
9 they're licensed, they're fully qualified. What they're
10 actually very good at is going into a new situation and
11 being very comfortable how to do the best job in
12 collecting the waste, because they do this -- this team
13 was created in 2007, and we've had members on this team,
14 and, you know, I have met many of these over the, you
15 know, the years, I've interacted with them, and they are
16 just rock solid. You have 10- and 15-, 20-year veterans
17 on this team out there.

18 CHAIRMAN GOLTZ: So they are identified people
19 on the Green Team?

20 MR. SHERMAN: Absolutely.

21 CHAIRMAN GOLTZ: How many are there?

22 MR. SHERMAN: There is a list.

23 CHAIRMAN GOLTZ: Nationwide, do you have an
24 estimate at least? Hundreds or dozens?

25 MR. SHERMAN: Oh, it's hundreds.

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1 CHAIRMAN GOLTZ: At the time of this labor
2 stoppage, were there any other competing demands on your
3 Green Team?

4 MR. SHERMAN: No large activations. There are
5 always small pockets out assisting in certain areas. So
6 there's always something going on. When I say "small
7 pockets," there could be 10 or 15 at some locations, but
8 there were no activations at that point.

9 CHAIRMAN GOLTZ: What I mean is you had
10 available to you in the Puget Sound area virtually all
11 the Green Team members?

12 MR. SHERMAN: We had available to start, yes.

13 So I want to talk to you about, before we put
14 them on the streets, what we did on Sunday.

15 I took this picture on Sunday afternoon at the
16 Woodinville hauling site down across from 522 over here.

17 It was Sunday. We did a half-day orientation
18 with these drivers as they came in, and what we do is we
19 focus on what routes are you going to do. We're going
20 to let them look at the route books. We have route
21 books that have, hey, here's what this route is. We're
22 going to let them -- every driver went out before they
23 took the road and drove those trucks around and made
24 sure they were very comfortable and familiar with it.

25 We talked a little bit -- a lot about safety. I

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1 want to talk to you about safety for a minute. I've
2 been in the Pacific Northwest about four years, I've
3 been with Waste Management about ten. Prior to coming
4 to the job for three and a half years I was the director
5 of safety of the Waste Management's western group.

6 Waste Management wouldn't, and I would never put
7 somebody on these streets, that I didn't have 100
8 percent confidence in that they could operate that
9 equipment safely. That's why we took a full half day.
10 I could have thrown folks out on Sunday and said pick up
11 trash, but that's not the policy that we have, it's not
12 the policy that I have. It's a policy, or a mission,
13 it's called the Mission to Zero, M2Z. We have followed
14 that the last ten years. That Mission to Zero says we
15 will tolerate no unsafe act and no unsafe behavior.
16 Every driver in this company, if you were to ask them
17 about a Mission to Zero, could articulate that.

18 So this is who we were in the -- the dedication
19 or the commitment that we had, because there were folks
20 out there accusing that, you know, these drivers on your
21 streets are going to be unsafe. It's simply not the
22 case. My wife, my son, are out there on these streets
23 and I'm not going to have anybody go out that's not a
24 hundred percent competent. So this is the Green Team
25 we're talking about.

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1 And so we brought them in, came over Saturday
2 and Sunday, the group started coming in, and with that
3 group, as you flip the page, we move into our second
4 level, if you will, of our contingency. Because you
5 remember the first few days we're working on critical
6 stops, and the second level of our contingency plan says
7 we're going to move into commercial at this stage.

8 COMMISSIONER JONES: Before you go on, you're
9 talking about vehicle familiarization. Are your
10 vehicles, your garbage haulers and toters and
11 everything, are they standard, all across the country,
12 or are there special vehicle needs here in the Pacific
13 Northwest?

14 MR. SHERMAN: Coming over here today I wanted to
15 practice a little bit, so I said, "Mary, do you mind
16 driving my car?" And I have a truck, SUV car. And Mary
17 doesn't, her's is a little smaller. And it's that
18 familiarization.

19 So you're asking if somebody can drive a truck
20 that's different. Sometimes the peddles, the mirrors
21 have to be adjusted, sometimes the handle is here and
22 the handle is here, but as far as them driving a
23 roll-out truck, a roll-off driver, we know every Green
24 Team member, what they're qualified to operate. If
25 they're qualified to drive a roll-off truck, a side-load

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1 truck, a front-load truck, we only put them in the
2 trucks that they are previously qualified to operate.
3 We do not put them in a truck -- we don't put a
4 front-load driver into a roll-out truck if he's not
5 comfortable with it.

6 The difference is -- you say are they identical.
7 We have maybe 23,000 collection vehicles we've purchased
8 over the last ten years. So are they exactly identical?
9 No more so than her car is identical to mine. But are
10 they capable, professional drivers? We do not have a
11 problem with it.

12 I wanted to make sure, though, that the first
13 time that they got out into the routes was not the first
14 time that they actually were in that truck. So that's
15 why we spent time on Sunday, every driver going out and
16 make sure he was familiarizing, operating it, et cetera.

17 So now as we move into Monday and Tuesday, I
18 want to --

19 CHAIRMAN GOLTZ: I'm sorry. So this is Monday
20 and Tuesday, July 30, July 31st.

21 MR. SHERMAN: You bet.

22 CHAIRMAN GOLTZ: That's strike day six and
23 seven.

24 MR. SHERMAN: Okay. Yes.

25 CHAIRMAN GOLTZ: And at this point, looking at

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1 the contingency plan, we have two tiers here. The first
2 is the first days of the collection interruption, we are
3 now past that, we're in the first full week of
4 collection interruption, and it says there the
5 commercial and industrial services will be provided,
6 although some multiple collection day service may be
7 reduced. Does multiple collection day service means
8 that some commercial accounts more than one collection a
9 day?

10 MR. SHERMAN: A commercial customer can get
11 service three times a day.

12 CHAIRMAN GOLTZ: Your contingency plan basically
13 says business as usual for commercial and business
14 services.

15 MR. SHERMAN: That would be the intent as we
16 move into that first full week.

17 CHAIRMAN GOLTZ: The second bullet point there
18 says residential and multi-family collection will be
19 provided on a reduced capacity such as every other week.
20 So by this time, on Monday, July 30th, and July 31st,
21 the contingency plan contemplated all commercial and
22 industrial services except with one expectation for
23 multiple collection day service, and some at least
24 residential and multi-family collection.

25 MR. SHERMAN: Not necessarily on day one,

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1 Commissioner.

2 CHAIRMAN GOLTZ: I understand that. It says the
3 first full week of --

4 MR. SHERMAN: I'm saying the first full week,
5 the contingency plan is not necessarily on day one of
6 the first week. Am I 100 percent by day -- if you look
7 at it, they went out on strike Wednesday afternoon, or
8 Wednesday at 10 o'clock in the morning, so I missed
9 Thursday and Friday. We don't generally operate on
10 Saturday. So Monday, for me, Monday is the first -- is
11 day three of full strike. And at that point, we did
12 begin sending out Monday commercial routes.

13 Now, I want to talk about this. It says 60
14 percent success rate. We sent out more than 60 percent
15 of the routes. Okay? The difference is we had a lot of
16 waste out there at that point. Some customers get, you
17 know, multiple service. Also, candidly, we were
18 impacted by the ambulatory picketing. We had incidents
19 where drivers were trying to go to a commercial account,
20 and they would be blocked for 20 minutes, just blocked,
21 we couldn't get in. So you look at the extra volume and
22 the fairly aggressive ambulatory picketing, we were
23 significantly inhibited from getting that hundred
24 percent at that point.

25 CHAIRMAN GOLTZ: So are you saying that 60

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1 percent success rate means that 60 percent of the routes
2 had some pickup?

3 MR. SHERMAN: You know, we really struggled on
4 how to calculate the activity that took place. The
5 approach we're taking is we looked at how many tons on
6 these routes we usually pick up on a Monday. You can
7 identify on the last three collection periods how much
8 tonnage. On that date we picked up about 60 percent of
9 normal tonnage.

10 CHAIRMAN GOLTZ: I just wondered where you got
11 the 60 percent.

12 MR. SHERMAN: Frankly, as we were preparing for
13 this, I'll remind you, we are actively in recovery mode
14 right now, so we wanted to get as much information as we
15 could, but also be factually accurate.

16 So on Tuesday we got a little better. And we
17 had about 75, 74, 75 percent of the normal tonnage for
18 everybody. Once again we did not want --

19 CHAIRMAN GOLTZ: Wait. Everybody or
20 commercial --

21 MR. SHERMAN: I say UTC and contract cities is
22 what I was referring to.

23 CHAIRMAN GOLTZ: But meaning commercial garbage,
24 not residential.

25 MR. SHERMAN: Yes. Commercial solid waste.

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1 COMMISSIONER OSHIE: So this is 74 percent on
2 top of the 60 percent you already accumulated?

3 MR. SHERMAN: Each day stands independent of the
4 other. So we had 60 percent on Monday, about 74 percent
5 on Tuesday.

6 Now, the complicating thing at this point,
7 Local 117 put up picket lines in the Skagit Valley area,
8 the Skagit operation, so Tuesday we lost about 33
9 employees for Tuesday and Wednesday.

10 Now, we move in, we talk about the contingency
11 plan. I want to talk about the next level. We've
12 talked about critical stops, we've talked about the
13 commercial. And now since we're actually at this point
14 sending out 100 percent, even on Tuesday, even though we
15 may not have picked up all the tonnage, we're sending
16 out the commercial stops on Tuesday, 100 percent of
17 commercial stops went out. So now on Wednesday I can
18 move into that limited residential garbage service.

19 CHAIRMAN GOLTZ: But here's where I get confused
20 with the contingency plan. It says in the first full
21 week of collection interruption there will be
22 residential and multi-family collection, but in a
23 reduced capacity. Now you're going to go to that part.

24 MR. SHERMAN: You bet.

25 CHAIRMAN GOLTZ: It says Wednesday, August 1st,

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1 which I believe is strike day eight, or the first day of
2 the second week of interruption. So you pass by --

3 MR. SHERMAN: Do we count Sunday? We're looking
4 at it a little different, commissioner.

5 CHAIRMAN GOLTZ: You count seven work days a
6 week as opposed to seven calendar days as a week?

7 MR. SHERMAN: No. When we run routes, we
8 generally run routes five days a week, and by Wednesday,
9 I was in day six by -- during five days a week route,
10 I'm in day six. I get your point, though, I understand.

11 CHAIRMAN GOLTZ: It's in the second week of the
12 disruption. Okay.

13 MR. SHERMAN: Right. So I'm moving into the
14 residential. And I want to kind of talk through how we
15 choose where we go. A lot of thought and consideration
16 goes into this. One of the first thing we look at is
17 what is that customer density. As you can imagine, if I
18 have an ability to go to a specific geographic area and
19 pick up 300 homes relatively quickly and go to another
20 geographic area, the same geographic size but it's a
21 hundred homes, I can affect more customers to recover
22 more waste by going to a dense. So that's what we're
23 looking at.

24 What I'm sharing here is kind of our thought
25 process of how do we approach it. We also looked at the

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1 proximity to our operations and transfer station. We
2 service a very large geographic area. It's one of the
3 considerations we look at. Where can we get to that is
4 close to transfer stations, close proximity to our
5 operations.

6 You mentioned the Green Team. Like anything,
7 these are professional drivers, they're qualified and
8 trained, but you still want to put them in areas that
9 have good ingress, good egress, so where they're not
10 having to look too hard to understand that this is a
11 home, a home, a home, a home, a business, a business.

12 And the final thing we looked at, because it has
13 broader considerations, is how easy it is to articulate
14 the boundaries for communication. You can imagine the
15 media at this point is very interested, the communities,
16 the customers are very interested in this, and so you're
17 looking at it, you're weighing all, all of these
18 considerations, spend a lot of time and energy to say,
19 okay, with the resources we have available, now we're
20 going to move out into the residential area. This is
21 kind of how we approached it.

22 So on Wednesday, we were servicing all
23 commercial garbage routes, and we had about 80 percent
24 success rate on both the residential and the commercial
25 routes of the ones that we serviced.

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1 CHAIRMAN GOLTZ: That again is measured by 80
2 percent of the tonnage.

3 MR. SHERMAN: Right.

4 CHAIRMAN GOLTZ: Collected.

5 MR. SHERMAN: Now at this stage Mary is actively
6 communicating with folks, she communicates. I'm fully
7 engulfed at the site level with our operations to make
8 sure we are managing and deploying and doing the best we
9 can out there.

10 Behind the scenes, Waste Management is having,
11 we'll call it secret negotiations, with the teamster
12 leadership. Their chief negotiator, our negotiator.
13 Both parties were motivated to come to an agreement,
14 because we knew it was a horrible impact to our
15 customers. We also knew that I had 500 employees out
16 there, and multiple times during this time period I went
17 out and just waded right into the strike lines, and I
18 have a good relationship with the employees that we have
19 out there, and they talk to me, they told me their
20 concerns, we talked through it. And they wanted to come
21 back, and I wanted them back.

22 I tell you, Waste Management, in my opinion, has
23 the absolute best drivers in this industry. Absolutely.
24 And I wanted them back on the routes servicing.

25 So behind the scenes, we're negotiating, talking

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1 to the union, and we're able to come up with a tentative
2 agreement late Wednesday night. I wish it could have
3 been five days, six days, I wish it didn't have to
4 happen at all, but we were able to come up with that.

5 COMMISSIONER JONES: Before you go to the next
6 page, when you said in parenthesis, UTC in a contract
7 states, and it appears to me that the rate was equal
8 between the two jurisdictions. Is that correct?
9 Because that's one of our concerns.

10 MR. SHERMAN: That's the total -- and fair
11 enough --

12 COMMISSIONER JONES: Could you give us some
13 numbers on what success rate you had for the
14 UTC-regulated areas versus the contract cities in
15 Seattle?

16 MR. SHERMAN: We could get that for you.

17 COMMISSIONER JONES: That would be helpful.

18 CHAIRMAN GOLTZ: Please proceed. I'm sorry.
19 I'm cognizant of time here. As I mentioned, they said
20 we only have the room until 6:30 as it turns out. I'm
21 trying to get a check of how many people have come in so
22 far, how we go, how many --

23 MR. SHERMAN: I'll move it along.

24 So on Thursday, as we know, we had a tentative
25 agreement the night before. 174, which is predominantly

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1 the garbage drivers, came back to work, our operation in
2 Skagit Local 231 came back to work, and Local 117
3 ratified their agreement. Once we heard that 117
4 ratified the agreement, our Green Team was dismissed.

5 I think it's important to note that there were
6 over 300 Green Team members in place at that point. But
7 we let them go back to their families. Unfortunately,
8 unexpectedly, Local 117, after the vote, did not return
9 to work, which put us another day behind on the
10 recycling. On that day, we had approximately 95 percent
11 completion for the garbage routes. That includes
12 everything for UTC and contract cities.

13 As we moved into Friday -- it was a wonderful
14 day, Friday -- because for us, because we had everybody
15 back to work, we serviced the regularly scheduled Friday
16 commercial and residential garbage customers in King,
17 Snohomish, Skagit Counties, at about 98 completion.

18 As an aside, where we had an opportunity to have
19 extra personnel to kind of do something -- as it's
20 important to note, we are manned as a company,
21 everybody's tries in today's society to be lean, we do
22 not carry -- I know the rate payers would not want us
23 carrying a lot of extra trucks or a lot of extra folks
24 around. We are manned, in a practical matter, to pick
25 up that day's waste. That's why recovery sometimes can

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1 take a little longer.

2 But on Friday we did actually get out to
3 Fairwood, for all their three services, Burien and
4 Renton, to try to help some of that recovery. But we
5 also recognize that we needed more, absolutely needed
6 more. And so internally we called it super Saturday,
7 because there were a lot of folks that had not had their
8 waste picked up in quite some time.

9 CHAIRMAN GOLTZ: When did you decide to do super
10 Saturday? When was that decision?

11 MR. SHERMAN: We started talking about it on
12 Thursday. You have to start planning it on Thursday.
13 You have to communicate with your employees your
14 expectations. Thursday we start making the preliminary
15 plans. Friday we started finalizing, communicating to
16 cities what our plans were. We dispatched 297 trucks on
17 the road that day.

18 And our focus, frankly -- remember, you
19 mentioned, Chairman, that Wednesday some of those
20 customers, a limited number of those customers, that was
21 the second time, that was the second time they were
22 impacted. Not everybody, because we picked some of them
23 up by 10 a.m. on the first Wednesday. And so their
24 second time. So our focus on Saturday was to go back
25 and service every one of those Wednesday customers that

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1 we had not gotten to on August 1st, that Wednesday
2 before.

3 Now, additionally, we knew there was a lot of
4 recycle, a lot of other waste, so we had our commercial
5 accounts out, commercial trucks out there as well to try
6 to pick up as much of that on super Saturday.

7 So I've identified on the spreadsheet the
8 targeted customers, which is those UTC areas in Federal
9 Way in Auburn, Snohomish County, the Montlake Terrace,
10 Snohomish County, and the King County and Woodinville
11 area. In addition to this, there were ten other
12 contract cities that we dispatched out on that day as
13 well.

14 And I just want to let you know, we had a strong
15 commitment to try to recover as quickly as possible, and
16 I think this super Saturday was evidence of that
17 commitment. Also, we want to let you know we paid our
18 drivers overtime on that day. This is not something we
19 were obligated by contract to do, but we wanted to make
20 sure that we had as many drivers physically possible on
21 the routes and in trucks. Many of them had not been at
22 work --

23 CHAIRMAN GOLTZ: You weren't obligated with the
24 contract by your drivers?

25 MR. SHERMAN: The contract with our collective

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1 bargaining agreement. Many of them have to have
2 40 hours in before they can get overtime. In our case,
3 we looked at it, we said we want to go back and take
4 care of the customers and try to do our best to pick
5 them up, so we paid overtime.

6 I have to tell you also, we collected a lot of
7 extras during this time period. We knew we had a
8 backlog of waste we didn't collect, we also had
9 customers that took advantage to put out extra stuff
10 they might have had in their garbage, to move that, take
11 that opportunity, because we were not charging extras,
12 and we're still not charging extras right now. And so
13 we picked it all up. If it was out there, we collected
14 it.

15 COMMISSIONER JONES: Again, Mr. Sherman, you
16 said none of this on super Saturday was done with any
17 Green Team members?

18 MR. SHERMAN: Right.

19 COMMISSIONER JONES: On the previous page, you
20 said 300 employees went home.

21 MR. SHERMAN: Right.

22 COMMISSIONER JONES: Those were all Green Team
23 members?

24 MR. SHERMAN: Absolutely.

25 COMMISSIONER JONES: That departed on Thursday?

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1 MR. SHERMAN: Right.

2 COMMISSIONER JONES: Most of those were out of
3 state?

4 MR. SHERMAN: Absolutely.

5 COMMISSIONER JONES: So all of the super
6 Saturday --

7 MR. SHERMAN: That our regular folks that
8 service your homes and your businesses.

9 COMMISSIONER OSHIE: Mr. Chairman, how does the
10 breakdown of customers targeted, how does the percentage
11 shape up as far as the allocation between UTC
12 customers --

13 MR. SHERMAN: This day on Saturday?

14 COMMISSIONER OSHIE: Yes. The super Saturday,
15 and then you have your city customers that were
16 targeted. So what's the breakdown?

17 MR. SHERMAN: On Saturday -- we'll give you some
18 specifics. Okay? But on Saturday, what we did is every
19 Wednesday route, I think up in the, possibly in the
20 Marysville service area, might not have gotten everybody
21 in the yard waste. There was a UTC area that we didn't
22 get. Once again, we looked at it, but for the areas
23 I've identified on your page here, we sent out a driver
24 for every single Wednesday route on this page. There
25 was one area, if I recall correctly, in the Marysville

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1 district, it was UTC, I want to say about six yard waste
2 routes that just simply didn't have enough drivers left
3 to do that. But outside of that, Commissioner, every
4 route for Wednesday.

5 So let's talk about where we are today. We're
6 running normal. So today is Thursday, so if somebody
7 was scheduled for Thursday, we sent out all Thursday
8 routes today, and have been running normal for some
9 time. So our residential yard waste routes are running
10 normal. Here's the caveat. And I'm experiencing this
11 at my home. Those folks who were every other week
12 recycle, frankly, it's a challenge for us, because we
13 have about three days, a Monday, Tuesday, and a
14 Thursday, those three days, that our recycle customer --
15 my recycle day is on Tuesday, and when we picked up the
16 trash Tuesday of this week, and yard waste Tuesday of
17 this week, we didn't have a recycle truck to go into
18 that neighborhood. There simply weren't enough. We're
19 also being very careful on our hours of service. We're
20 trying to monitor the hours of service. There's a
21 larger volume, so we're having to be careful on that.
22 That is a challenge.

23 Commercial recycling -- let me finish up on the
24 recycling. We expect to be caught up next week, the
25 week of 8-13, we expect to be caught up on that

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1 residential, absolutely caught up. Commercial
2 recycling, a little sooner. That should be tomorrow.
3 The commercial recycling we should be caught up by
4 tomorrow.

5 In conclusion, I want to reiterate three things.
6 The first thing, once again, I apologize sincerely for
7 the impact, for this offense, and the impact to the
8 customers. Absolutely. Also I want to say we have a
9 contingency plan. It was sound and we followed that
10 plan. We talked about the prioritization and how we
11 allocated the resources. And our recovery was
12 prioritized to make the best use of the available
13 resources.

14 I appreciate the opportunity to talk to you
15 today, and we welcome questions that you have.

16 CHAIRMAN GOLTZ: Thank you, Mr. Sherman. And I
17 appreciate the slide presentation, and that answered a
18 number of my questions.

19 Maybe I'd ask Mr. Cupp. We've got more people
20 signed up? I got a sense of how many people, the
21 public, it might go a little bit past 5 on these.

22 Looking at the contingency plan, and that was
23 filed, prepared at least June 6, the strike started
24 July 25. I'm assuming that the contingency plan is
25 prepared because you have some inkling there might be a

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1 need for it, or you wouldn't do it.

2 MR. SHERMAN: Fair enough.

3 CHAIRMAN GOLTZ: So I guess I'm just wondering
4 when the plan said that in the first full week of
5 service disruption there would be some at least
6 residential multi-family collection, and there would be
7 in that commercial industrial services would be
8 provided, so some multiple-plex day services would be
9 produced, and those didn't happen as per the contingency
10 plan, and you had hundreds of Green Team members
11 available to you, but I'm sensing they didn't show up in
12 enough quantities early enough to do what you indicated
13 you would do. So if you were to do it over again, would
14 you have called more Green Team members in earlier or
15 what?

16 MR. SHERMAN: Hindsight is proverbially 20-20.
17 We were not expecting the duration and the 376 Local
18 174. If you would have asked me if those folks would
19 stay out for six days -- (Shakes head in the negative.)

20 CHAIRMAN GOLTZ: But the contingency plan
21 doesn't stand for six days there will be chaos, and
22 then --

23 MR. SHERMAN: Fair enough.

24 CHAIRMAN GOLTZ: -- there will be order. That's
25 not quite how it goes, I guess. But that there would

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1 be -- it was going to start right away. And I just
2 didn't see -- maybe when you get the data in to us it
3 will be clearer one way or the other, but it strikes me
4 that there's probably some, you know, with the Green
5 Team members maybe could have been contacted earlier and
6 brought in earlier. I know it's an expense, but that's
7 kind of what you committed to do.

8 And maybe if I could just skip ahead -- my
9 colleagues, sort of patience here -- we mentioned that
10 we might talk about the proposed tariff. And I look at
11 the proposed tariff language that you have proposed, and
12 we will be considering, and it says such an event,
13 meaning labor disruption, the company will take all
14 necessary actions consistent with its collective
15 bargaining agreements and applicable law to continue to
16 provide service to customers. It says all necessary
17 actions. And so I guess if that tariff had been in
18 effect during this time, do you think you can say that
19 the company took all necessary actions?

20 MR. SHERMAN: I think we were dealing with an
21 extremely fluid situation and we used the best judgment
22 that we had at the time.

23 CHAIRMAN GOLTZ: I know, Ms. O'Neill, your
24 attorney is taking notes, and he usually appears before
25 us when we talk about this tariff. I'm going to be very

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1 interested, when you say all necessary actions, I assume
2 that means all necessary actions. If it means something
3 other, then you ought to propose something different. I
4 read all necessary actions as meaning all necessary
5 actions. That would be Green Team on a plane adoption I
6 think.

7 Any other questions?

8 COMMISSIONER JONES: Mr. Sherman, we received
9 letters today from the King County Executive, Dow
10 Constantine, one from Kathy Lambert, King County
11 Council. Are you familiar -- may not have seen those
12 letters. I just wanted to, A, get your reaction to what
13 the King County executive and Ms. Lambert are saying,
14 and, B, how much coordination did you do with the
15 County, both the Solid Waste Division and the elected
16 officials in terms of constant coordination, especially
17 on the critical facilities, but not just the critical
18 facilities, but commercial and residential. Just
19 describe for us the County coordination, please.

20 MS. EVANS: Commissioner, the letter has been
21 recently received by us, so I'm not in a position to
22 comment in great detail on those elements; however, I
23 can assure you that I was in constant contact with King
24 County for the duration of this labor disruption,
25 particularly the operations side, related to all of the

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1 transfer stations. Day and night, night and day, cell
2 phone, texts, e-mail, calls, you name it, I had that
3 contact. They were very, very available to Waste
4 Management, and we're very thankful for the King County
5 staff that worked with us, worked with our operations,
6 to make sure that we were able to optimize the delivery
7 of service.

8 Additionally, we had some communication with the
9 elected officials in King County, but we focused
10 primarily on the operations, on moving our vehicles in
11 and out in a safe and efficient manner, while taking
12 into consideration the best operating circumstances for
13 the King County transfer stations.

14 COMMISSIONER JONES: Just a quick follow-up.
15 You were the contact person, you're the coordinator with
16 the County government?

17 MS. EVANS: Correct.

18 COMMISSIONER JONES: Is there a formal
19 institutional structure, kind of a crisis command center
20 in Waste Management?

21 MS. EVANS: The way it worked this time around,
22 prior to having any event, we met with King County, went
23 down to the King County offices, went through the
24 protocol, went over the plan of action for each of the
25 facilities, and then as the event happened, we quickly

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1 knew who was on the call list, we activated that, we
2 confirmed every available phone number where we could
3 reach every person that we needed to, and we acted upon
4 that information.

5 COMMISSIONER JONES: Okay.

6 CHAIRMAN GOLTZ: Unless Commissioner Oshie has
7 some more questions, what I would like to do, since it
8 is five o'clock, we did give the public notice that we
9 would be taking public comments, and to be respectful of
10 their time, because they have other commitments,
11 childcare or work or other, I'd like to turn to that
12 now.

13 If we have time remaining, that may prompt other
14 questions, and we may get back to that after that time
15 period. But, again, thank you for the presentation.
16 That was very helpful. And we'll look forward to the
17 other information.

18 We have several people have signed up, and a
19 couple from the King County government, so I'd like to
20 call them first. Mr. Kevin Kiernan, who's representing
21 the King County executive. And we did receive a letter
22 from the King County executive.

23 So for members of the public to make comments,
24 if you could come up to the podium here, state your
25 name, and if you're representing, who you're

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1 representing. If it's just yourself, that's fine. If
2 you're representing an organization, a labor
3 association, a governmental entity, whatever, a
4 business, that's fine. Speak into the microphone.

5 And we have a court reporter here, and that's --
6 we would have just had a taping system, but the taping
7 system apparently isn't set up for this. So because we
8 did want to preserve this, because this will be relevant
9 to our discussion of the tariff provisions that are
10 filed, and perhaps some other proceedings, so speak
11 slowly, avoid acronyms, et cetera.

12 So please proceed.

13 MR. KIERNAN: Good afternoon. Kevin Kiernan,
14 division director, Solid Waste division. I'd like to
15 read into the record a letter from King County Executive
16 Constantine. I do have copies of the letter as well.

17 So Chairman Goltz, Commissioners:

18 I am writing to request that the Washington
19 Utilities and Transportation Commission investigate
20 recent service disruptions resulting from the labor
21 dispute resolving Waste Management.

22 The disruptions caused by the recent Waste
23 Management strike were significant throughout King
24 County. The strike left thousands of our residents
25 without garbage, organics, or recyclables collection

0051

1 services, with some residents missing two weekly
2 collections.

3 Residents and business within cities that
4 contract for solid waste services may rely on the
5 protections those contracts provide; however, certain
6 cities, and the unincorporated area of King County, must
7 rely on the WUTC to regulate garbage collection that
8 occurs under state franchises. The state of Washington
9 entrusts Waste Management and the other franchise
10 holders with the vital public service of garbage
11 collection.

12 Although King County does not have the authority
13 under state law to provide collection services, the
14 County provides solid waste disposal services. The
15 strike also posed significant operational challenges for
16 King County, as self-haul to our disposal facilities
17 increased dramatically during the strike. Our employees
18 worked tirelessly to help ensure that the public health
19 and safety were still protected despite these
20 challenges.

21 As the entity responsible for solid waste
22 disposal in King County, we are conducting our own
23 review of the impacts of the strike; however, our Solid
24 Waste Division received numerous inquiries and
25 complaints related to the strike, and I urge the WUTC to

0052

1 conduct a thorough investigation and use its regulatory
2 authority to ensure that residents and businesses whose
3 collections were disrupted are made whole.

4 I appreciate the WUTC's investigation into the
5 strike. As part of that process, I also urge the WUTC
6 to evaluate and enhance the reporting requirements for
7 franchise holders, such as Waste Management, during
8 strikes and other services disruptions, and institute
9 formal communication protocols that ensure that the
10 County and its cities have current, accurate information
11 to provide to residents and businesses who are impacted.
12 This should include regular updates provided by video
13 teleconferencing, the web, or other timely two-way
14 communication technology. Institute procedures for
15 compensating counties for providing fee disposal
16 services to residents and businesses during labor
17 disputes against private haulers. Institute rule
18 changes to provide counties with formal input and
19 coordination role in labor disputes or other
20 circumstances causing service disruptions in areas
21 served by WUTC franchise haulers.

22 Thank you for your work to investigate the
23 recent Waste Management service disruptions, and to
24 institute changes to help lessen impacts on our
25 residents in the future.

0053

1 Sincerely, Dow Constantine, County Executive.

2 In addition to this, I heard during the
3 discussion you all are looking at proposed tariffs. We
4 are very interested in reviewing those and providing
5 comments to those.

6 CHAIRMAN GOLTZ: We would appreciate that, and
7 we appreciate the thoughtful suggestions. Thank you
8 very much.

9 Any questions for Mr. Kiernan?

10 Thank you very much.

11 We have King County Council Member Kathy
12 Lambert.

13 MS. LAMBERT: First of all, I'd like to say
14 thank you. I appreciate the speed and the thoroughness
15 of which you're doing this investigation. I really
16 appreciate that a lot.

17 The first thing I want to talk about is the
18 communications. I'm very concerned about the
19 communications. My office was not directly contacted at
20 all. Zero. Let me contrast that with when the power
21 was out with Puget Sound Energy.

22 When the power went out with Puget Sound Energy,
23 they came and got me at my home, took me on a tour of
24 the surrounding areas, showed me what was going to be
25 done, and what areas, how their plan was going to be set

0054

1 up.

2 CHAIRMAN GOLTZ: They didn't do that with me.

3 MS. LAMBERT: Well, next time we'll invite you.

4 So I really felt like I was on top of it. When
5 people called me about questions, I'd been there, seen
6 it, knew what was going to happen. They also made sure
7 that I was called at least once a day, they texted me
8 when things were changing, saying something is up, we'll
9 tell you when we have some more news. They also put
10 things on RPIN, the regional network, and so I had
11 information that way. RPIN comes to my e-mail, to my
12 text message, and to my phone. So wherever I am,
13 however I am, I can get this information. So that's
14 what I was used to. This is not what I got. I had
15 really excellent service, and then I had this. None.

16 Remember, there are two council members in King
17 County that represent this entire area. For the most
18 part it's me and Reagan Dunn. So they only had two
19 other people to add to the list. And we actually had
20 troubles getting information to our constituents,
21 because the information wasn't coming to the executive
22 branch to filter on down. They do have the equipment,
23 the mass broadcast, which they do have and should have.
24 I should be on that list. So I'm very concerned.

25 I'm also concerned about some of the parameters.

0055

1 The comment was made a little bit ago that Waste
2 Management is highly motivated to provide services to
3 contract cities because of their ability and threat to
4 levy fines which leaves unincorporated areas without
5 service. That is not okay with me.

6 The parameters that they use, the density and
7 the proximity, both of those, leave incorporated areas
8 out. Now, the other areas have somebody else to
9 advocate for them. They have five, seven, council
10 members to advocate for them. In King County, they get
11 me. While I am very busy, and very determined to get
12 things done, that is not fair. So it's you guys and me
13 together trying to do this.

14 And I believe that we all need the same tools
15 that every city has already. So I've written you a
16 letter. I'd like to highlight just a few of them.

17 I believe that future franchise agreements
18 should provide the same tools for compliance in
19 unincorporated areas as cities have in their contracts
20 with waste haulers, so whatever the cities get in their
21 contracts, we should get automatically, because our
22 citizens should not be second class citizens in this
23 county.

24 If a labor dispute disrupts the waste removing
25 service for more than seven days, customers should

0056

1 automatically get a credit on the utility bills, and the
2 following pickup should allow for more garbage at no
3 extra cost.

4 Fines should be used to reimburse the counties
5 for the waiving of the tipping fees at the transfer
6 station. Our transfer stations had lots of extra
7 garbage brought in, and it cost us money. So we need to
8 have some of those fines going towards paying the
9 counties for that.

10 If a labor dispute happens for more than seven
11 days, then the franchise terms should require private
12 haulers to have alternatives in place. And I suggest
13 the Green Team, as you were pointing out, should come in
14 much more quickly, into the residential areas.

15 One of the things about my residential area, we
16 have bears, and we have lots of them. We also have lots
17 of elk that live right in the City of North Bend. And
18 they have a great sense of smell, and we have had
19 several issues where people have been in danger. We had
20 one person who had a confrontation not too long ago with
21 bears. So many people are very concerned about bears
22 coming in their neighborhood. And so by not having our
23 garbage picked up, it's odiferous, and bears have a very
24 good sense of smell.

25 We also have sections of my area, senior

0057

1 citizens, it's very different for senior citizens to be
2 getting the garbage out there, half a mile, quarter mile
3 driveways.

4 So in summary, the last thing I want to say is
5 that we also need to have more communications
6 continually, and during emergencies we also need to have
7 some new parameters. When we had the flood a couple of
8 years ago, I did call Waste Management, and they were
9 delightful, they came out right away, and went and
10 looked at what my problem situation was in Shamrock
11 Park, and they called me back within two hours and said
12 they would take care of that problem, above and beyond
13 the contract. I was very, very impressed.

14 But if it they had contacted me on a regular
15 basis during any kind of flood, act of God, emergency,
16 then they would have had that before I finally got on
17 the phone. So I think we need much better
18 communications. And I think they should look forward --
19 if you could also look at how we handle emergencies such
20 as floods, that would be very helpful to me.

21 CHAIRMAN GOLTZ: Thank you. I appreciate your
22 comments.

23 The letter, one of the points I'd already
24 mentioned, I'd highlighted about the other policies for
25 compliance, that unincorporated areas cities have in the

0058

1 contract. As I understand the contract that I have
2 seen, they do have a, almost a defined penalty, if you
3 don't miss a pickup after X number of days, the penalty
4 is X.

5 MS. LAMBERT: Right.

6 CHAIRMAN GOLTZ: You don't have thinking like
7 that.

8 MS. LAMBERT: We do not.

9 CHAIRMAN GOLTZ: I don't know how we would
10 effect that.

11 The other interesting point, I believe that in
12 the contract cities, this may have been done, is the
13 penalties would be used to kind of offset some tipping
14 fees. And at the state level, I haven't thought this
15 through, but that may mean legislation for us. And for
16 that to happen, as we proceed through these, we'll be in
17 contact with you, with you and your colleagues, we need
18 to try to have a conversation about that possibility as
19 well.

20 MS. LAMBERT: I've already sent a letter to our
21 two contract levees, to legislators, so be prepared for
22 that. I'm ready and able to help at any time.

23 CHAIRMAN GOLTZ: I was a little bit flip. Puget
24 Energy was very responsible to us too. They called us
25 several times a day.

0059

1 Any questions?

2 COMMISSIONER JONES: Since Mr. Kiernan brought
3 up this idea, it's in the Constantine letter, so the
4 County is calling for instituting a formal communication
5 protocol.

6 MS. LAMBERT: Yes.

7 COMMISSIONER JONES: They talk about video
8 conferencing, whatever, two-way communication
9 technology. Is that what you're referring to? Is that
10 a proposal that you could get behind?

11 MS. LAMBERT: Absolutely. Since there's only
12 two of us, they contact the executive branch, they
13 should also contact the legislative branch. There's
14 only two of us for the most part that represent large
15 unincorporated areas. And I only sleep about four hours
16 a night, so I'm not hard to get ahold of, so I think
17 that I should be -- they could even put me on the later
18 call list, because I'll be happy to get those.

19 COMMISSIONER JONES: All right.

20 MS. LAMBERT: I have 75 copies of my letter.
21 Thank you so much.

22 CHAIRMAN GOLTZ: Thank you very much.

23 Two other people. King County Council staff,
24 Grace Reamer?

25 MS. REAMER: I think Council Member Lambert

0060

1 covered our points very eloquently.

2 CHAIRMAN GOLTZ: And Inga Rolf?

3 UNIDENTIFIED SPEAKER: Yes?

4 CHAIRMAN GOLTZ: Are you with King County?

5 UNIDENTIFIED SPEAKER: No.

6 CHAIRMAN GOLTZ: No. I got you. Never mind.

7 We'll get to you in a minute.

8 I'll try to take them in order that people have
9 signed in.

10 Now, again, I think we have relatively finite
11 number of public commenters to go. And so normally in
12 such proceedings we try to have a three-minute time
13 limit or so, we find that generally in questions about
14 utility rates that usually is enough time. I'm not
15 going to be too strict on clock here, because we have a
16 pretty finite number, and we do have another hour. But
17 if you find that your comments has already been made,
18 feel free to sort of incorporate by reference the prior
19 speaker, and we're happy to go through this. I don't
20 think I'll have to start a time limit unless we get too
21 carried away.

22 But Ms. Donna Kern?

23 MS. KERNS: Hi. My name is Donna Kerns. And I
24 live in Everett, Washington, in the East Mont area.

25 CHAIRMAN GOLTZ: Just for the record, it's

0061

1 K-E-R-N-S?

2 MS. KERNS: K-E-R-N-S.

3 Your strike started on July 25th. Of course, my
4 pickup day was the next day. So I have missed for my
5 garbage one pickup, and my Waste Management two pickups
6 in the recycling. Three, unless they picked it up when
7 I left after 3 o'clock today. It's frustrating for me,
8 because I'm an avid gardener, and I need my yard waste
9 can. So the day after your strike, I called your
10 customer service, and I'm sorry, but I didn't get the
11 name of the person that answered the phone, who was a
12 very snotty person. I asked her when the strike ended,
13 when they would be there to pick up our garbage in my
14 neighborhood, and she told me it wouldn't be picked up
15 until the following week, which would have been today.

16 And I told her I was a gardener, and I had ran
17 out of space to put my weeds. She told me to go to the
18 grocery store, buy some paper bags to weed in.

19 Are any of you people gardeners? Have you ever
20 weeded in a paper bag?

21 I said, well, then I'll just put it in plastic
22 garbage bags. She said if you do that, we will charge
23 you extra for garbage. And she decided to tell me to go
24 to the store and buy biodegradeable bags. And I said
25 that I've already paid my garbage ahead of time, why

0062

1 should I go to the expense of buying other things to
2 pack it in?

3 So I told her, on top of that, the frustration
4 of telling me that I would also be charged for all these
5 weeks that you did not pick up my garbage, when I've
6 already paid my garbage in advance, really ticked me
7 off. She told me that's the way the cookie crumbles.
8 If you don't pay your bill, then we will come and pick
9 your cans up, and you'll be gone from our list of
10 customers.

11 Is that how you train your customer service
12 people, to talk to your customers that way?

13 I have a contract with you I think when I signed
14 up for Waste Management. And if you had a gardener that
15 was supposed to come and mow your lawn every week and
16 didn't show up, would you consider paying them?

17 I want to be reimbursed for all these days that
18 were missed on my route, continually from all my
19 neighbors, who also are all elderly, in that percentage
20 of my neighbors, shoving your can out there every week
21 and taking it back, plus you put yard waste and garbage
22 in the yard waste can, so we had raccoons, rats, all
23 there going through our garbage. It's been pure hell.
24 I think that you should take into consideration to
25 reimburse everybody that has had their yardage missed

0063

1 and not picked up.

2 You. You're the boss. Right?

3 MR. SHERMAN: (Witness nods head.)

4 MS. KERNS: Well, I give you my pledge. I want
5 to be reimbursed for four days of missed service.

6 Thank you.

7 CHAIRMAN GOLTZ: Thank you very much, Ms. Kerns.

8 I might mention that also that Mr. John Cupp,
9 who's with people when we came in, if people do have
10 specific service quality questions, that you really
11 don't want to talk about it, you know, at the
12 microphone, feel free to contact Mr. Cupp, because
13 that's part of his job and the section he works in, is
14 to work out disputes between customers and regulated --

15 MS. KERNS: Thank you.

16 CHAIRMAN GOLTZ: So Mr. Ron Harper -- or Hopper?

17 MR. HOPPER: My name is Ron Hopper. And I guess
18 I represent the customers as well.

19 I guess my main concern is the language that
20 Waste Management is proposing to absolve themselves from
21 any responsibility to be held financially responsible in
22 the event of future strikes, because what that does is
23 that removes all the incentive for them to actually
24 bargain. And as we can all learn from the news, it
25 wasn't until the City of Seattle came down and said

0064

1 we're going to fine a million dollars a day that there
2 was no rush to get back to the bargaining table, there
3 was no serious action to move forward.

4 The other point is I notice that Waste
5 Management talked about how they were meeting their
6 obligations in tonnage. Well, if you're only collecting
7 from the Evergreen Hospital every other day, or every
8 two days, three days, you can collect massive tonnage on
9 a reduced customer base. So it's all a matter of
10 statistical, you know, math. What they're doing is
11 saying we're meeting our tonnage requirements, but
12 they're doing it on a far reduced basis.

13 And similar to the lady that spoke before me, I
14 called Waste Management and requested a credit, and the
15 first thing they said was we don't issue credits. Well,
16 that's convenient when you're allowed to operate in a
17 monopoly basis, similar to the way the cable industry
18 used to be. But now you can get things via other
19 channels, and those companies have become much more
20 customer service oriented.

21 I was without power for seven days. I didn't
22 request a credit. Puget Sound sent me a credit.
23 Similar with my cable company. We were without cable
24 for seven days. I got a credit for that.

25 Waste Management sits in the monopoly state and

0065

1 says we don't do credits. Is that the way you should do
2 business? That's my question.

3 MR. SHERMAN: At this point I'll say thank you,
4 Mr. Hopper.

5 CHAIRMAN GOLTZ: Thank you, Mr. Hopper.

6 Mr. John Borga (phonetic)?

7 MR. BORGA: I'm John Borga. I'm just speaking
8 for myself. I live in an unincorporated area about a
9 block from the Briar City Hall. I had a chance to speak
10 with Chairman Goltz on the phone. I want to thank you
11 for returning my phone call and taking the time to talk
12 to me. And I'd also like to say, as the two other
13 speakers, I believe that Waste Management owes me, and
14 them, and everyone else, a refund for the missed
15 service, and that's mainly what I'm going to talk about.

16 I also want to say that I know firsthand some
17 people got preferential service from Waste Management,
18 because to my surprise I did, on Tuesday. I filed this
19 complaint formally, but before that I talked on the
20 phone to people, but I decided to put it all in writing,
21 and I e-mailed it on Monday. On Tuesday at noon my wife
22 got a call from a man who said he was a Waste Management
23 supervisor, and he said he was having a little trouble
24 finding my house, because it's not unusual because I'm
25 in Briar, but I have a Lynnwood address. And so my wife

0066

1 gave him directions to my house, he came out, he said he
2 had one can, and he picked up my blue recycling
3 container, only mine, not anybody else's on my block.

4 So there were people out driving around. I
5 didn't ask for this. All I asked for was the refund.
6 There were people out driving around, picking up
7 individual garbage.

8 My wife said to him, look, you want to take the
9 green recycling can too? And he said, no, I only have
10 one can. I don't know exactly what that means, but I do
11 want to suggest that weirdly a day after I filed this
12 complaint in writing, Waste Management sent out an
13 individual person to pick up one single can, left all
14 the other ones on my block alone.

15 I started to look into it a little bit more when
16 I was denied the refund. The same thing that you had
17 said, you had said. Comcast gives a refund, most people
18 give refunds, it's almost automatic. And I got the same
19 treatment. It wasn't professional. And I know you're
20 putting on a very professional face here giving us the
21 report, but I wasn't dealt with very well, in a good
22 way. It was just we don't give refunds, we don't do it,
23 it's not our policy, it's not the practice, it's not
24 what's required.

25 So I looked into it, and I found that actually

0067

1 it is required. There's one paragraph in the tariffs
2 that apply to our count that says that you don't give
3 refunds for missed pickups, and it reads in bold
4 letters, missed pickups due to weather or road
5 conditions. Pickup of materials may be missed due to
6 weather or road conditions. If the accumulated
7 material, solid waste and/or recyclables, and/or yard
8 waste is collected at the next scheduled material --
9 next scheduled or available pickup date, the company is
10 not obligated to extend credit for the missed pickup.
11 The customer will not be charged for overfilled
12 receptacles or for materials set out in bags on top of
13 or next to the customer's receptacles, if the amount
14 does not exceed the amount that was reasonably expected
15 to accumulate due to missed pickups.

16 So the company is not obligated to extend credit
17 for missed pickups due to weather or road conditions.
18 And it's really clear. And so that was the point where
19 I talked to Chairman Goltz.

20 And I learned from Chairman Goltz that Waste
21 Management knew this to be true also, because on June 6,
22 which I learned today is the day they were submitting
23 their contingency plan, Waste Management also submitted
24 a request that a new paragraph be added to the tariffs.

25 And I have in this packet I gave you a letter

0068

1 from Michael Weinstein, the senior pricing manager,
2 Pacific Northwest market area, and it requests on June 6
3 that a new tariff be added, and what Waste Management
4 requested was that a new paragraph be added. The new
5 paragraph says in bold letters, missed pickups due to
6 labor disputes, union strikes, or other employee
7 actions.

8 And I won't read the whole thing, I'll show it
9 to other people if you want to, but it's virtually the
10 same paragraph. So Waste Management knew as they were
11 approaching the time for the strike that they might have
12 a problem with this. And they asked the three of you to
13 help them out with that and to approve a tariff that
14 would say that customers had no recourse, but you didn't
15 act. And so another letter was sent by Michael
16 Weinstein to you on July 12th, it again asked you to act
17 and to approve these tariffs, but you didn't act. And I
18 think that was wise. I think you kept an even hand in
19 this, and it was good of you.

20 Then on July 25th, another letter was sent from
21 Waste Management to you, and this one said, basically,
22 it again asked you to act and add this to the tariffs,
23 and then it asked you to make it retroactive, so it
24 would apply backwards. And then he adds on this one,
25 today Teamster Local Union 117 recycling yard waste

0069

1 drivers who service King and Snohomish County went on
2 strike, we therefore have some urgency to request the
3 Commission to consider our filing.

4 And so they have on three times tried to get you
5 to add a paragraph that would say customers don't get
6 refunds. I've read all the 40 some pages of the
7 tariffs. There is nothing in them that says the
8 customers don't get refunds except weather and road
9 conditions. And I'm not a lawyer, but I don't think you
10 need to be to look at those tariffs and see that Waste
11 Management has no basis for denying refunds. It can't
12 be company policy.

13 What I basically think is this. It's important
14 that when a company is involved in a labor dispute that
15 it not receive income. This strike could have gone on
16 forever had the cities not levied fines, and would
17 especially have gone forever if you had put this in
18 there, because they would keep collecting every week
19 money from their customers but providing no service or
20 greatly reduced service. I think it's wrong.

21 I also think that one part of their recovery
22 plan that they left out in the presentation to you was
23 that they began to advertise for permanent replacement
24 drivers, and they have stated in the press that they
25 intended to replace their striking drivers with

0070

1 permanent replacements, and he left that out. He didn't
2 say that part. They took out ads on KOMO radio, they
3 took out ads to hire people as permanent replacements.

4 So I look at that, and I think the men and women
5 who pick up our garbage do hard work. I think they
6 deserve the new contract they got. I think it's good
7 when working people stand up. I think we all benefit
8 when they do that. And I think that a lot of this could
9 have been avoided if Waste Management had been more
10 reasonable with the union, and they weren't.

11 I want a refund. I think that every customer in
12 your area should be given a refund. I think that's a
13 cost of doing business. Those Green Team members that
14 they brought in, they paid them to travel in here, they
15 put them up in hotels, they paid their -- I'm sure they
16 paid their meals, I'm sure they paid them a premium for
17 their work. They were willing in order to press this
18 strike against the teamsters and the attempts to replace
19 the permanent drivers, they were willing to put a whole
20 lot of money into this strike, they really were, and
21 they should put a little bit more in. They should
22 refund us for the weeks they didn't pick up our garbage.
23 It's in the tariffs, and it's really clear.

24 I hope you don't pass it in the future because I
25 think it will make it weaker, and I really think it

0071

1 would be wrong to pass it retroactively, to make it
2 applicable now when it's not. I think somehow you
3 should order them to make the refunds, not just for me,
4 not just for you, not just for you, but for everybody
5 that they didn't serve. Thank you.

6 THE COURT: Thank you.

7 Unless I'm mistaken, I think that's the last of
8 the people that have signed up. So this means we have
9 time for other people who may not have wished to
10 speak -- oh, I'm sorry, I didn't get to you.

11 UNIDENTIFIED SPEAKER: They covered it.

12 CHAIRMAN GOLTZ: Are you sure? We have time.

13 UNIDENTIFIED SPEAKER: It's okay.

14 CHAIRMAN GOLTZ: Thank you very much.

15 Does anyone else who didn't sign up wish to make
16 any statement?

17 I might just add on the tariffs that they have
18 filed, and what the Commission has indicated to the
19 company, and to other companies, is this is an issue not
20 just for Waste Management, but for all companies, and
21 our staff has indicated that they wanted to address this
22 on an industry-wide basis, so we can look at these
23 issues across the state, not just with this one company.

24 As I mentioned at the outset, we aren't going to
25 take action on this proposed tariff today, but we will

0072

1 be conducting some further process, we certainly will
2 include representatives of King County in that process
3 to get their views. Some of the suggestions contained
4 in the letters we received from residents of King County
5 were very helpful in that regard, and may spawn some
6 other ideas. So we will be addressing that in the
7 future.

8 Now, on those dockets, or on this docket, if
9 anybody here wishes to receive -- correct me if I'm
10 wrong, Mr. Cupp -- if people want to receive notices
11 about those tariff filings in the future, they should
12 give their name, e-mail address to you before they leave
13 today, and they would automatically get updates. Is
14 that correct?

15 Thank you very much.

16 We do have more time. Mr. Eckhardt, is there
17 anything that came up that you wanted to comment on?

18 MR. ECKHARDT: Thank you. No.

19 CHAIRMAN GOLTZ: Any more questions for the
20 company? There will be some more questions for the
21 company, that we've asked you some, and we are expecting
22 some responses to, and data.

23 I guess I do have one more question. The
24 contingency plan does say that you got -- I think you
25 say -- during a labor disruption, each truck will be

0073

1 equipped with a GPS unit and program. Does that mean
2 that you know where all your trucks were during the
3 strike?

4 MR. SHERMAN: It would be difficult to recreate
5 that. I would not know if I have, going back at that
6 point -- some of our trucks, a lot of our trucks, have
7 the GPS that we use during the day to know where they
8 are. I am not familiar with what kind of historical
9 data is saved on them.

10 CHAIRMAN GOLTZ: Then on a contingency plan, it
11 looks -- except for the little boxes where it gives the
12 actual rules, it looks fairly standard. So if I were to
13 go to Waste Management service territories around the
14 country, would I find similar plans?

15 MR. SHERMAN: We created this locally.

16 COMMISSIONER JONES: Who was involved? Who was
17 the lead in the company for developing this contingency
18 plan?

19 Ms. Evans, was it you?

20 MS. EVANS: (Nods head.)

21 COMMISSIONER JONES: Can you describe the roles?
22 Who did what?

23 MS. EVANS: Yes, Commissioner. In developing
24 our contingency plan, there was a team approach where we
25 included all members of the different areas within our

0074

1 company. My colleague, Rob Sherman, and I took the lead
2 on preparing this document and making sure that they
3 covered to the best of our ability things that we could
4 imagine happening in the event of a contingency. We
5 also consulted with our call center with, boy, every
6 department within our organization as well.

7 COMMISSIONER JONES: Is this updated every year?

8 MS. EVANS: Yes it is.

9 COMMISSIONER JONES: Is there a different
10 contingency plan for natural disasters? I think
11 Ms. Lambert talked about flooding and natural disasters.
12 Is there a different type of decision making process for
13 identifying these prior to natural disasters?

14 MS. EVANS: No. Actually this plan applies to
15 both scenarios.

16 CHAIRMAN GOLTZ: The letter that initiated this
17 session was dated August 2nd, and in that we asked for
18 some information for each day of the strike. Page 2 of
19 the letter signed by Mr. David Danner, on August 2nd.
20 And I understand that was just a week ago, and you've
21 been busy, but do you have any -- I know that you don't
22 have all this information right now, but do you have an
23 estimate, or can you give an estimate when you can give
24 us an estimate of when you will have this information?

25 MS. EVANS: We're working very diligently to

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1 pull together information that's responsive to the very
2 detailed requests that were made by the UTC.

3 CHAIRMAN GOLTZ: Probably getting requests from
4 the contract cities as well?

5 MS. EVANS: Yes, we are.

6 CHAIRMAN GOLTZ: Are theirs more detailed than
7 ours?

8 MS. EVANS: No, they're not.

9 CHAIRMAN GOLTZ: So will you let us know? Can
10 you let us know in a couple days when we're going to get
11 that information?

12 MS. EVANS: I'd be happy to.

13 CHAIRMAN GOLTZ: This is important to the tariff
14 issues that are still before us.

15 And also because so many of the customers here
16 raised the issue, have you, has the company yet made a
17 final decision on whether or not it will offer credits
18 to customers?

19 MS. EVANS: We have not. We are still looking
20 at the legal and practical matters surrounding the issue
21 of refunds. At this time, there are a number of
22 considerations that come into play. We look forward to
23 working with the Commission, the staff of the Commission
24 to resolve this satisfactorily on behalf of the
25 customers and our regulators and the company.

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1 COMMISSIONER JONES: Ms. Evans, you've heard
2 some comments today about the -- let me put it this way,
3 the customer service reps who were not particularly
4 respectful to customers. I'd appreciate hearing a
5 response on that, especially if residential recycling,
6 as you say on page 10, remains a challenge, both through
7 the UTC and city contracts, and full recovery will not
8 happen until next week, I mean, what kind of standard
9 message are you giving to customers when they call?

10 MS. EVANS: As pointed out in the presentation,
11 for those cities or those areas where we have the
12 every-other-week residential recycling collection, that
13 is particularly problematic because we're working on a
14 two-week cycle.

15 As outlined in the contingency plan, as we do
16 during inclement weather, we follow a double load follow
17 service day recovery, and so that means on your next
18 regular service opportunity we take double materials.
19 Frankly, we take whatever is out there at no additional
20 charge.

21 I was disheartened to hear about the treatment
22 some of you received from our call center. I'm very
23 sorry that that happened. That is not how we train our
24 people. I'm dismayed, frankly, that you had that
25 experience.

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1 I will say that by and large the men and women
2 who work in our call center are very well intentioned
3 individuals. They work very hard. I'm so sorry that
4 you did not see that in your interactions with them. We
5 want to do better for you. I'll be taking these
6 comments back to our customer call center, sharing with
7 them the experience.

8 I appreciate that you took the time to give us
9 the specifics of what happened so that we can provide
10 better coaching to our call center representatives.
11 Thank you.

12 COMMISSIONER JONES: I appreciate that. Just a
13 quick follow-up. But I appreciate the sentiment. Mine
14 is more of an operational question. Because this is so
15 dynamic, as you said, you know, you're still in the
16 recovery mode. There are various elements to --

17 MR. SHERMAN: Can I comment on that?

18 COMMISSIONER JONES: Yes. Just let me finish.

19 So my question, especially to you, would be if
20 things are dynamic, and everybody is busy, how often do
21 you change your script or your training -- I guess
22 that's my question -- for the customer call center,
23 because it's changing all the time.

24 MS. EVANS: It is. Just as Rob talked about the
25 fluidity of our operations, the same is happening in our

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1 customer service center. We work diligently to update
2 all of the talking points as needed, multiple times a
3 day. As you can perhaps imagine, during this labor
4 disruption and in the aftermath, things have been moving
5 very rapidly, and we do our best to get the messaging
6 out to those representatives to post it through the
7 web-based knowledge sharing tools that we have, and to
8 have huddles with the people on the floor as we have
9 late breaking changes or additional information.

10 So, for example, when the plans were finalized
11 for super Saturday, we had a number of huddles on the
12 floor with the reps to say here's what we've been able
13 to do, working with operations, this is what we've
14 nailed down, here's the plan, we've talked to folks.
15 New talking points as people call in, if you will. So
16 we work hard to do that. As evidenced by the experience
17 of the people here today, sometimes it doesn't work.

18 CHAIRMAN GOLTZ: Just a couple other questions,
19 and then just clarification of a request for
20 information. This may be a question for Ms. McNeill.
21 There are very few states that regulate all these
22 collection services the way we do here in certain areas.
23 But are there other areas around the country where you
24 have tariffs with a regulatory body of some sort? Do
25 you know?

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1 MS. McNEILL: Polly McNeill, for the record,
2 Chairman Goltz.

3 As far as I know, there's partial regulation in
4 Alaska, and other than that I believe West Virginia is
5 the other state that regulates. And I'm not familiar
6 enough with their regulatory scheme to say whether they
7 use tariffs or not.

8 CHAIRMAN GOLTZ: I guess what I'm looking for,
9 this is a slightly broader question, is what we have --
10 and Councilman Lambert suggested we look at the contract
11 language that is in place that I think is probably
12 relatively consistent throughout this area with cities
13 regarding penalties, stipulated penalties for missed
14 service commitments, and what I'm wondering is, you
15 know, what other models do we -- so we have those to
16 look at. We have your suggested tariff. What other
17 models are there to look at perhaps with other states,
18 of what requirements, rules of service ought to be in
19 a -- during the work stoppage. So if you can come up
20 with some --

21 MS. McNEILL: Thank you. I appreciate your
22 questions, and I understand your point. I'll be happy
23 to supplement the responses that the company provides
24 and work with staff in terms of following up on whether
25 there were other paradigms or templates for you to

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1 consider in terms of dealing with work stoppage issues
2 in the solid waste industry.

3 CHAIRMAN GOLTZ: I'm especially interested with
4 the credit issue in that as well.

5 And finally, although we did ask detailed
6 questions here, a couple of things that came up earlier
7 that I wanted to touch base on those again, things that
8 I believe we asked for, you offered. And that is we
9 requested reports on each day of the strike, but I guess
10 what I would like to know, especially in regards --
11 because the contingency plan was prepared weeks, many
12 weeks ahead of the work stoppage, and the Green Team was
13 available, when did you sort of put them on notice,
14 what's the protocol for that, when was the decision to
15 call them in, how many, why not more, those sorts of
16 questions, because as I said before, it seems like you
17 kind of got behind.

18 And I can imagine if you get a little bit behind
19 in this, in solid waste collection, it's hard to catch
20 up. So the trick might be to get out there early. I
21 just want to know why that didn't happen, or what went
22 into that thinking. So if you can just give us that
23 information in writing as well, that would be useful.

24 Anything else?

25 So again, I thank you Mr. Sherman and Ms. Evans

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1 and Ms. O'Neill for coming.

2 And thanks to the Commission staff. You worked
3 hard to assemble this and coordinate this.

4 And thanks again to the City of Woodinville for
5 allowing us to use their facility.

6 Thanks to the people who came out and made some
7 very good comments, and to the folks from King County.
8 I think the letters give us some good ideas. I'm sure
9 they'll lead to other ideas. And we'll certainly be in
10 touch with you.

11 So unless there's anything else to come before
12 us, special meeting is adjourned.

13 Thank you for coming.

14 (The meeting adjourned at 5:43 p.m.)

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C E R T I F I C A T E

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3 STATE OF WASHINGTON

4 COUNTY OF KING

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6 I, SHERILYNN V. MCKAY, a Certified Shorthand

7 Reporter and Notary Public in and for the State of

8 Washington, do hereby certify that the foregoing

9 transcript is true and accurate to the best of my

10 knowledge, skill and ability.

11 IN WITNESS WHEREOF, I have hereunto set my hand and

12 seal August 16, 2012.

13

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17 SHERILYNN V. MCKAY, RMR, CRR, CCR 3236

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